

FAYETTE COUNTY, GEORGIA
BUDGET SUMMARY INFORMATION
FISCAL YEAR ENDED JUNE 30, 2004
SUMMARY OF ADOPTED FUNDING AND APPROPRIATIONS

| BUDGETED FUNDS | REVENUES AND OTHER SOURCES | | | EXPENDITURES AND OTHER USES | | |
|------------------------------|----------------------------|--------------------------|-----------------------------|-----------------------------|------------------------|--|
| | PROJECTED REVENUES | TRANSFERS | | ADOPTED EXPENDITURES | TRANSFERS | |
| | | FROM CASH RESERVES | TOTAL FUNDING SOURCES | | TO CASH RESERVES | TOTAL EXPENDITURES AND OTHER USES |
| Governmental Funds | | | | | | |
| General Fund | \$ 42,137,585 | \$ 2,201,902 | \$ 44,339,487 | \$ 44,339,487 | \$ - | \$ 44,339,487 |
| Special Revenue Funds: | | | | | | |
| Fire Services | 6,710,053 | - | 6,710,053 | 6,065,326 | 644,727 | 6,710,053 |
| Street Lights | 181,650 | - | 181,650 | 181,650 | - | 181,650 |
| State Confiscated Property | 59,500 | - | 59,500 | 59,500 | - | 59,500 |
| U.S.Customs Fund | 9,200 | - | 9,200 | 9,200 | - | 9,200 |
| Jail Construction | 310,000 | - | 310,000 | 310,000 | - | 310,000 |
| Juvenile Supervision | 35,000 | 5,300 | 40,300 | 40,300 | - | 40,300 |
| Victims Assistance | 128,500 | 68,875 | 197,375 | 197,375 | - | 197,375 |
| Drug Abuse and Treatment | 30,000 | 37,566 | 67,566 | 67,566 | - | 67,566 |
| Law Library | 19,976 | - | 19,976 | 19,976 | - | 19,976 |
| Federal Confiscated Property | 195,100 | - | 195,100 | 195,100 | - | 195,100 |
| S.P.L.O.S.T. (Library) | 30,000 | 128,000 | 158,000 | 158,000 | - | 158,000 |
| Emergency Phone E-911 | 1,712,322 | - | 1,712,322 | 1,554,243 | 158,079 | 1,712,322 |
| Total Special Revenue Funds | \$ 9,421,301 | \$ 239,741 | \$ 9,661,042 | \$ 8,858,236 | \$ 802,806 | \$ 9,661,042 |
| Total Governmental Funds | \$ 51,558,886 | \$ 2,441,643 | \$ 54,000,529 | \$ 53,197,723 | \$ 802,806 | \$ 54,000,529 |
| Enterprise Funds | | | | | | |
| Solid Waste (Landfill) | 172,038 | - | 172,038 | 171,801 | 237 | 172,038 |
| Water System | 12,894,840 | - | 12,894,840 | 12,649,112 | 245,728 | 12,894,840 |
| Total of All Budgeted Funds | \$ 64,625,764 | \$ 2,441,643 | \$ 67,067,407 | \$ 66,018,636 | \$ 1,048,771 | \$ 67,067,407 |

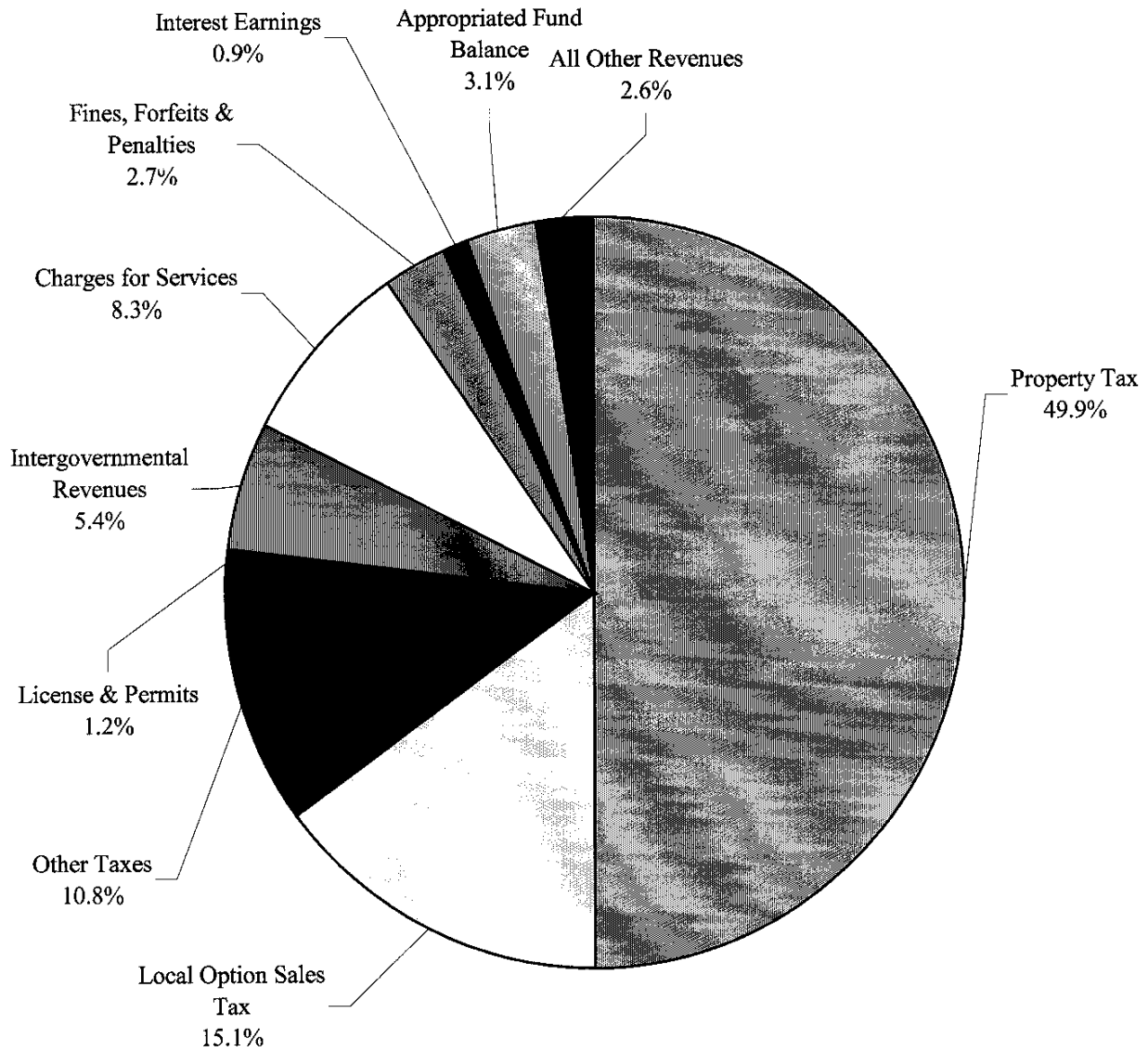
FAYETTE COUNTY, GEORGIA
SUMMARY OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
COMPARISON OF THREE MOST RECENT FISCAL YEARS

| | GENERAL FUND | | | SPECIAL REVENUE FUNDS | | |
|--|----------------------------|----------------------------|----------------------------|----------------------------|---------------------------|---------------------------|
| | FY 2002 | FY 2003 | FY 2004 | FY 2002 | FY 2003 | FY 2004 |
| | <u>ACTUAL</u> | <u>ESTIMATED</u> | <u>BUDGET</u> | <u>ACTUAL</u> | <u>ESTIMATED</u> | <u>BUDGET</u> |
| REVENUES | | | | | | |
| Property Tax | \$20,780,142 | \$21,580,745 | \$21,291,200 | \$5,003,089 | 4,954,892 | \$5,245,957 |
| Sales & Use Tax | 8,058,581 | 8,573,782 | 8,016,209 | 39 | 39 | - |
| Other Taxes | 4,976,078 | 5,213,118 | 4,823,900 | 1,041,933 | 1,304,032 | 914,846 |
| Licenses & Permits | 676,895 | 598,402 | 644,500 | - | - | - |
| Intergovernmental Revenues | 1,905,221 | 2,639,582 | 2,138,300 | 1,506,012 | 862,070 | 742,987 |
| Charges for Services | 2,665,235 | 3,169,416 | 2,576,150 | 1,845,095 | 1,931,298 | 1,849,921 |
| Other Fees | 132,478 | 141,724 | 113,300 | - | - | - |
| Fines, Forfeits & Penalties | 851,827 | 931,750 | 938,500 | 338,708 | 252,637 | 510,800 |
| Interest Earnings | 715,051 | 524,708 | 475,000 | 61,438 | 33,064 | 30,000 |
| Other Revenues | 292,487 | 536,120 | 352,540 | <u>77,754</u> | <u>46,672</u> | <u>45,000</u> |
| Total Revenues | \$41,053,995 | \$43,909,347 | \$41,369,599 | \$9,874,068 | \$9,384,704 | \$9,339,511 |
| OTHER FINANCING SOURCES | | | | | | |
| Sale of Gen Fixed Asset | 11,512 | 77,742 | 100,000 | - | - | 2,000 |
| Operating Transfers In | <u>28,120</u> | <u>106,600</u> | <u>667,986</u> | <u>478,624</u> | <u>118,136</u> | <u>79,790</u> |
| Total Revenues and Other Financing Sources | <u>\$41,093,627</u> | <u>\$44,093,689</u> | <u>\$42,137,585</u> | <u>\$10,352,692</u> | <u>\$9,502,840</u> | <u>\$9,421,301</u> |
| EXPENDITURES | | | | | | |
| General Government | \$6,181,748 | \$7,205,709 | \$8,856,163 | \$ - | \$ - | \$ - |
| Judicial System | 3,185,101 | 3,572,846 | 3,577,352 | 171,420 | 200,599 | 325,217 |
| Public Safety | 12,418,317 | 14,680,943 | 15,648,802 | 6,837,406 | 9,089,801 | 8,193,369 |
| Public Works | 4,733,139 | 4,710,162 | 4,897,273 | 168,686 | 181,548 | 181,650 |
| Planning Development | 1,370,448 | 1,506,554 | 1,517,557 | - | - | - |
| Culture and Recreation | 1,407,967 | 1,401,183 | 1,579,317 | 248,822 | 174,739 | 158,000 |
| Health and Welfare | 600,412 | 631,203 | 643,799 | - | - | - |
| Debt Service | 8,414,286 | 3,841,957 | 3,840,551 | - | - | - |
| | \$38,311,418 | \$37,550,557 | \$40,560,814 | \$7,426,334 | \$9,646,687 | \$8,858,236 |
| OTHER FINANCING USES | | | | | | |
| General Contingencies | - | - | 400,000 | - | - | - |
| Operating Transfers Out | <u>1,332,280</u> | <u>3,976,139</u> | <u>3,378,673</u> | <u>501,855</u> | <u>-</u> | <u>-</u> |
| Total Expenditures and Other Financing Uses | <u>\$39,643,698</u> | <u>\$41,526,696</u> | <u>\$44,339,487</u> | <u>\$7,928,189</u> | <u>\$9,646,687</u> | <u>\$8,858,236</u> |
| Net Increase (Decrease) In Fund Balance | \$1,449,929 | \$2,566,993 | (\$2,201,902) | \$2,424,502 | (\$143,847) | \$563,065 |
| FUND BALANCE JULY 1 | <u>20,931,356</u> | <u>22,381,285</u> | <u>24,948,278</u> | <u>3,886,743</u> | <u>6,311,245</u> | <u>6,167,398</u> |
| FUND BALANCE JUNE 30 | <u>\$22,381,285</u> | <u>\$24,948,278</u> | <u>\$22,746,376</u> | <u>\$6,311,245</u> | <u>\$6,167,398</u> | <u>\$6,730,463</u> |

FAYETTE COUNTY, GEORGIA
SUMMARY OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
COMPARISON OF THREE MOST RECENT FISCAL YEARS

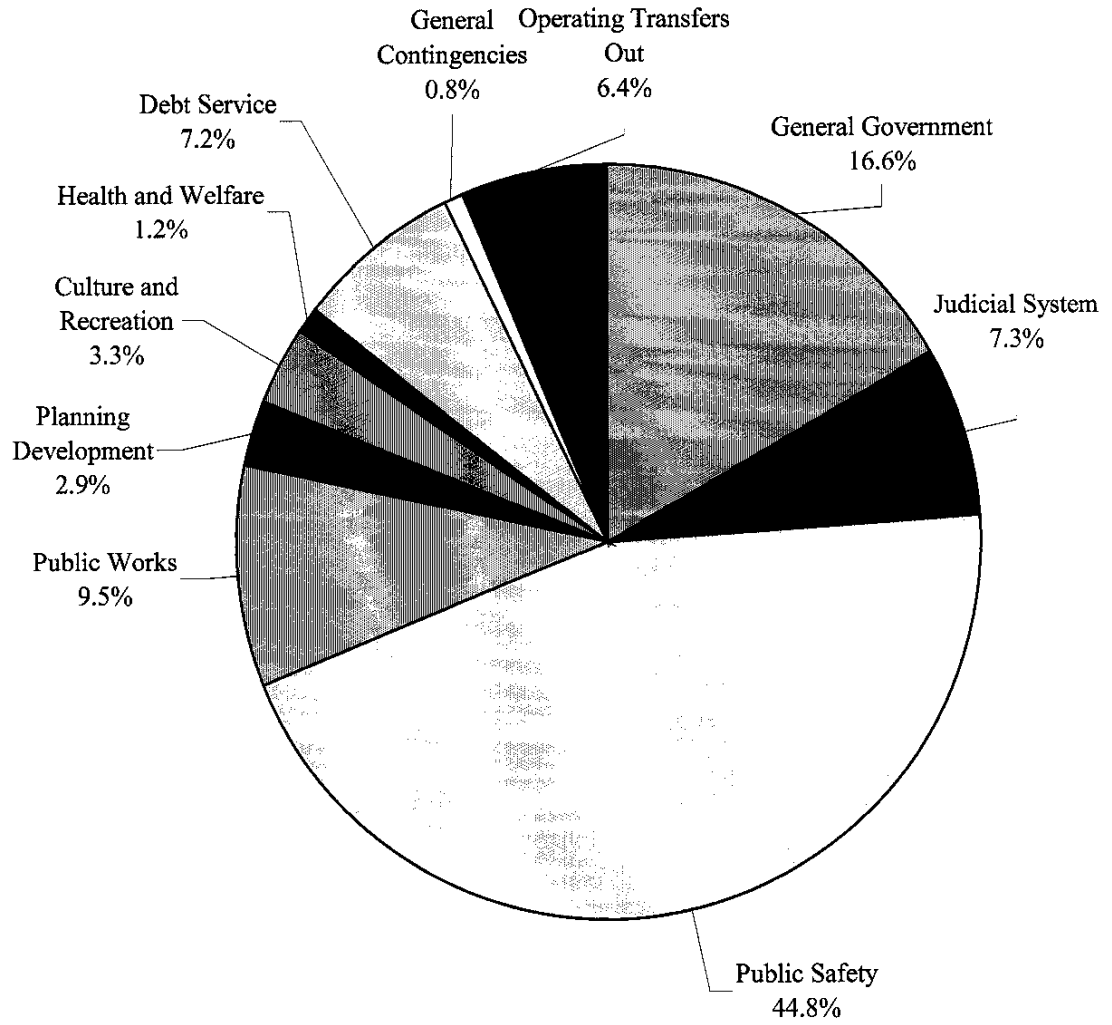
| | TOTAL GOVERNMENTAL FUNDS | | |
|--|---------------------------------|---------------------|---------------------|
| | <u>FY 2002</u> | <u>FY 2003</u> | <u>FY 2004</u> |
| | <u>ACTUAL</u> | <u>ESTIMATED</u> | <u>BUDGET</u> |
| REVENUES | | | |
| Property Tax | \$25,783,231 | \$26,535,637 | \$26,537,157 |
| Sales & Use Tax | 8,058,620 | 8,573,782 | 8,016,209 |
| Other Taxes | 6,018,011 | 6,517,150 | 5,738,746 |
| Licenses & Permits | 676,895 | 598,402 | 644,500 |
| Intergovernmental Revenues | 3,411,233 | 3,501,652 | 2,881,287 |
| Charges for Services | 4,510,330 | 5,100,713 | 4,426,071 |
| Other Fees | 132,478 | 141,724 | 113,300 |
| Fines, Forfeits & Penalties | 1,190,535 | 1,184,387 | 1,449,300 |
| Interest Earnings | 776,489 | 557,772 | 505,000 |
| Other Revenues | <u>370,241</u> | <u>582,792</u> | <u>397,540</u> |
| Total Revenues | \$50,928,063 | \$53,294,051 | \$50,709,110 |
| OTHER FINANCING SOURCES | | | |
| Sale of Gen Fixed Asset | 11,512 | 77,742 | 102,000 |
| Operating Transfers In | <u>506,744</u> | <u>224,736</u> | <u>747,776</u> |
| Total Revenues and Other Financing Sources | <u>\$51,446,319</u> | <u>\$53,596,529</u> | <u>\$51,558,886</u> |
| EXPENDITURES | | | |
| General Government | \$6,181,748 | \$7,205,709 | \$8,856,163 |
| Judicial System | 3,356,521 | 3,773,444 | 3,902,569 |
| Public Safety | 19,255,723 | 23,770,744 | 23,842,171 |
| Public Works | 4,901,825 | 4,891,710 | 5,078,923 |
| Planning Development | 1,370,448 | 1,506,554 | 1,517,557 |
| Culture and Recreation | 1,656,789 | 1,575,922 | 1,737,317 |
| Health and Welfare | 600,412 | 631,203 | 643,799 |
| Debt Service | <u>8,414,286</u> | <u>3,841,958</u> | <u>3,840,551</u> |
| Total Expenditures | \$45,737,752 | \$47,197,244 | \$49,419,050 |
| OTHER FINANCING USES | | | |
| General Contingencies | - | - | 400,000 |
| Operating Transfers Out | <u>1,834,135</u> | <u>3,976,139</u> | <u>3,378,673</u> |
| Total Expenditures and Other Financing Uses | <u>\$47,571,887</u> | <u>\$51,173,383</u> | <u>\$53,197,723</u> |
| Net Increase (Decrease) In Fund Balance | \$3,874,431 | \$2,423,146 | (\$1,638,837) |
| FUND BALANCE JULY 1 | <u>24,818,099</u> | <u>28,692,530</u> | <u>31,115,676</u> |
| FUND BALANCE JUNE 30 | <u>\$28,692,530</u> | <u>\$31,115,676</u> | <u>\$29,476,839</u> |

FAYETTE COUNTY, GEORGIA **2004 ESTIMATED FINANCIAL SOURCES** **GOVERNMENTAL FUNDS**



| | | |
|-----------------------------|----------------------------|---------------------------|
| Property Tax | Local Option Sales Tax | Other Taxes |
| License & Permits | Intergovernmental Revenues | Charges for Services |
| Fines, Forfeits & Penalties | Interest Earnings | Appropriated Fund Balance |
| All Other Revenues | | |

**FAYETTE COUNTY, GEORGIA
2004 ESTIMATED EXPENDITURES
GOVERNMENTAL FUNDS**



| | | | |
|-----------------------|-------------------------|--------------------|--------------|
| General Government | Judicial System | Public Safety | Public Works |
| Planning Development | Culture and Recreation | Health and Welfare | Debt Service |
| General Contingencies | Operating Transfers Out | | |

FAYETTE COUNTY, GEORGIA
SUMMARY OF REVENUES, EXPENDITURES AND
CHANGES IN FUND EQUITY
ENTERPRISE FUNDS
COMPARISON OF THREE MOST RECENT FISCAL YEARS

| | SOLID WASTE FUND | | | WATER SYSTEM FUND | | |
|--|-------------------------|---------------------|-------------------|--------------------------|----------------------|----------------------|
| | FY 2002 | FY 2003 | FY 2004 | FY 2002 | FY 2003 | FY 2004 |
| | <u>ACTUAL</u> | <u>ESTIMATED</u> | <u>BUDGET</u> | <u>ACTUAL</u> | <u>ESTIMATED</u> | <u>BUDGET</u> |
| REVENUES | | | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Licenses & Permits | - | - | - | - | - | - |
| Intergovernmental Revenues | 101,654 | 101,482 | - | - | - | - |
| Charges for Services | 177,089 | 56,615 | 52,450 | 12,290,893 | 11,760,998 | 12,864,840 |
| Bond Proceeds | - | - | - | - | 3,600,000 | - |
| Capital Contributions | - | - | - | 1,184,116 | 1,548,715 | - |
| Interest Earnings | - | 47 | - | 289,047 | 168,253 | 30,000 |
| Other Revenues | - | - | - | 295 | 26,195 | - |
| Total Revenues | \$ 278,743 | \$ 158,144 | \$ 52,450 | \$ 13,764,351 | \$ 17,104,161 | \$ 12,894,840 |
| OTHER FINANCING SOURCES | | | | | | |
| Contribution | 5,473 | | | | | |
| Operating Transfers In | \$ 566,829 | \$ 128,463 | \$ 119,588 | \$ - | \$ - | \$ - |
| Total Revenues and Other Financial Sources | \$ 851,045 | \$ 286,607 | \$ 172,038 | \$ 13,764,351 | \$ 17,104,161 | \$ 12,894,840 |
| EXPENDITURES | | | | | | |
| Personnel Services | \$ 60,785 | \$ 60,785 | \$ 72,136 | \$ 2,564,610 | \$ 3,413,740 | \$ 3,011,501 |
| Operating Expenses | 159,780 | 170,194 | 99,215 | 2,356,801 | 1,418,745 | 3,416,666 |
| Capital Outlay | 38,172 | 72,787 | 450 | 3,576,141 | 4,699,514 | 606,900 |
| Debt Service | - | - | - | 2,869,586 | 2,722,351 | 4,687,506 |
| Total Expenditures | \$ 258,737 | \$ 303,766 | \$ 171,801 | \$ 11,367,138 | \$ 12,254,350 | \$ 11,722,573 |
| OTHER FINANCING USES | | | | | | |
| Operating Transfers Out | - | 467,970 | - | - | - | \$ 926,539 |
| Total Expenditures and Other Financial Uses | \$ 258,737 | \$ 771,736 | \$ 171,801 | \$ 11,367,138 | \$ 12,254,350 | \$ 12,649,112 |
| NET INCREASE (DECREASE) IN FUND BALANCE | \$ 592,308 | \$ (485,129) | \$ 237 | \$ 2,397,213 | \$ 4,849,811 | \$ 245,728 |
| FUND BALANCE, JULY 1 | \$ 266,332 | \$ 858,640 | \$ 373,511 | \$ 11,948,330 | \$ 14,345,543 | \$ 19,195,354 |
| FUND BALANCE, JUNE 30 | \$ 858,640 | \$ 373,511 | \$ 373,748 | \$ 14,345,543 | \$ 19,195,354 | \$ 19,441,082 |

FAYETTE COUNTY, GEORGIA
SUMMARY OF REVENUES, EXPENDITURES AND
CHANGES IN FUND EQUITY
ENTERPRISE FUNDS
COMPARISON OF THREE MOST RECENT FISCAL YEARS

| | TOTAL ENTERPRISE FUNDS | | |
|--|-------------------------------|----------------------|----------------------|
| | FY 2002 | FY 2003 | FY 2004 |
| | <u>ACTUAL</u> | <u>ESTIMATED</u> | <u>BUDGET</u> |
| REVENUES | | | |
| Taxes | \$ - | \$ - | \$ - |
| Licenses & Permits | - | - | - |
| Intergovernmental Revenues | 101,654 | 101,482 | - |
| Charges for Services | 12,467,982 | 11,817,613 | 12,917,290 |
| Bond Proceeds | - | 3,600,000 | - |
| Capital Contributions | 1,184,116 | 1,548,715 | - |
| Interest Earnings | 289,047 | 168,300 | 30,000 |
| Other Revenues | \$ 295 | \$ 26,195 | \$ - |
| Total Revenues | \$ 14,043,094 | \$ 17,262,305 | \$ 12,947,290 |
| OTHER FINANCING SOURCES | | | |
| Contribution | \$ 5,473 | \$ - | \$ - |
| Operating Transfers In | 566,829 | 128,463 | 119,588 |
| Total Revenues and Other Financial Sources | \$ 14,615,396 | \$ 17,390,768 | \$ 13,066,878 |
| EXPENDITURES | | | |
| Personnel Services | \$ 2,625,395 | \$ 3,474,525 | \$ 3,083,637 |
| Operating Expenses | 2,516,581 | 1,588,939 | 3,515,881 |
| Capital Outlay | 3,614,313 | 4,772,301 | 607,350 |
| Debt Service | 2,869,586 | 2,722,351 | 4,687,506 |
| Total Expenditures | \$ 11,625,875 | \$ 12,558,116 | \$ 11,894,374 |
| OTHER FINANCING USES | | | |
| Operating Transfers Out | - | 467,970 | 926,539 |
| Total Expenditures and Other Financial Uses | \$ 11,625,875 | \$ 13,026,086 | \$ 12,820,913 |
| NET INCREASE (DECREASE) IN FUND BALANCE | \$ 2,989,521 | \$ 4,364,682 | \$ 245,965 |
| FUND BALANCE, JULY 1 | \$ 12,214,662 | \$ 15,204,183 | \$ 19,568,865 |
| FUND BALANCE, JUNE 30 | \$ 15,204,183 | \$ 19,568,865 | \$ 19,814,830 |

FAYETTE COUNTY, GEORGIA
SUMMARY OF REVENUES, EXPENDITURES, AND
OTHER FINANCING SOURCES AND USES
ALL BUDGETED FUNDS
FISCAL YEAR ENDED JUNE 30, 2004

| | <u>TOTAL</u> | <u>GENERAL FUND</u> | <u>SPECIAL REVENUE FUNDS</u> | <u>SOLID WASTE FUND</u> | <u>WATER SYSTEM FUND</u> |
|--|----------------------|-------------------------|--------------------------------------|---------------------------------|----------------------------------|
| REVENUES | | | | | |
| Property Tax | \$ 26,537,157 | \$ 21,291,200 | \$ 5,245,957 | \$ - | \$ - |
| Sales & Use Tax | 8,016,209 | 8,016,209 | - | - | - |
| Other Taxes | 5,738,746 | 4,823,900 | 914,846 | - | - |
| Licenses & Permits | 644,500 | 644,500 | - | - | - |
| Intergovernmental Revenues | 2,881,287 | 2,138,300 | 742,987 | - | - |
| Charges for Services | 17,343,361 | 2,576,150 | 1,849,921 | 52,450 | 12,864,840 |
| Other Fees | 113,300 | 113,300 | - | - | - |
| Fines, Forfeits & Penalties | 1,449,300 | 938,500 | 510,800 | - | - |
| Interest Earnings | 535,000 | 475,000 | 30,000 | - | 30,000 |
| Other Revenues | 397,540 | 352,540 | 45,000 | - | - |
| Total Revenues | \$ 63,656,400 | \$ 41,369,599 | \$ 9,339,511 | \$ 52,450 | \$ 12,894,840 |
| OTHER FINANCING SOURCES | | | | | |
| Sale of Gen Fixed Assets | 102,000 | 100,000 | 2,000 | - | - |
| Operating Transfers In | 867,364 | 667,986 | 79,790 | 119,588 | - |
| Appropriated Fund Balance | 2,441,643 | 2,201,902 | 239,741 | - | - |
| Total Revenues and Other Financing Sources | \$ 67,067,407 | \$ 44,339,487 | \$ 9,661,042 | \$ 172,038 | \$ 12,894,840 |
| EXPENDITURES | | | | | |
| Personnel Services | \$ 34,437,282 | \$ 24,669,543 | \$ 6,684,102 | \$ 72,136 | \$ 3,011,501 |
| Operating Expenses | 17,221,797 | 12,220,854 | 1,485,062 | 99,215 | 3,416,666 |
| Capital Outlay | 1,216,288 | 229,866 | 379,072 | 450 | 606,900 |
| Debt Service | 8,528,057 | 3,840,551 | - | - | 4,687,506 |
| Total Expenditures | \$ 61,403,424 | \$ 40,960,814 | \$ 8,548,236 | \$ 171,801 | \$ 11,722,573 |
| OTHER FINANCING USES | | | | | |
| Operating Transfers Out | 4,615,212 | 3,378,673 | 310,000 | - | 926,539 |
| Transfers to Fund Reserves | 1,048,771 | - | 802,806 | 237 | 245,728 |
| Total Expenditures and Other Financing Uses | \$ 67,067,407 | \$ 44,339,487 | \$ 9,661,042 | \$ 172,038 | \$ 12,894,840 |

BUDGET SUMMARY INFORMATION - EXPENDITURES COMPARISON OF ADOPTED BUDGET WITH PRIOR YEAR'S DATA

The Budget Summary Information contained on the following three pages compares the 2004 fiscal year budget with that of the 2003 fiscal year at two different points in time. As a means of providing additional detail to the preceding consolidated overview of expenditures, this comparison of appropriations is provided at the next lowest level of aggregated budget information (i.e., total departmental or cost center budget). For an even more detailed breakdown of each department's budget or to obtain an explanation of the major changes that have occurred between the two fiscal years, please refer to the individual cost center data shown later in this document in its corresponding functional area.

The middle two columns of information in the table, which contain a 'FY 2003' heading, are included to help show the dynamics of an annual operating budget. The first of these columns contains the original budget that would have been adopted by the Board of Commissioners for each department at this same time last year. When the budget was originally approved, those amounts represented our best estimates as to what it would cost to operate each of the various functions of the County during the 2003 fiscal year.

When reviewing the tabular information, one of the first things that you will note is that most of these original budgets were adjusted during the course of the 2003 fiscal year. As is normally the case, the initial expenditure plan was changed throughout the year as unanticipated events occurred, funding priorities were changed, or new programs were initiated. These changes are shown in the second column, which depicts the adjusted fiscal year 2003 budget amounts at the point in time when the County Administrator began preparing his recommended budget in April of the current year.

In view of economic uncertainties impacting the local economy of Fayette County as well as the Greater Metropolitan Atlanta Region, parameters were developed that assisted all functions participating in the budgeting process. The local economy has been impacted by the aftermath of the September 11, 2001 tragedy. Delta Airlines and the Hartsfield International Airport are critically important to Fayette County as they are two of the largest employers in the southern crescent region which includes Fayette County. Each has had layoffs including early retirements as well as furloughs since the 2001 tragedy. Other companies such as Coca-Cola have also had employee layoffs. Military conflicts in Iraq on the international front are also cause for economic uncertainty as it impacts the economic climate of the County. Therefore, the County took a very conservative fiscal position in light of the uncertain economic times during the development of the FY 2004 budget. This approach resulted in a budget less than the previous fiscal year and afforded Fayette citizens a lower property tax rate than in FY 2003. During these economic "lean times", the staff recognized the importance of "holding down taxes" and this was made possible in large part to careful budgeting and belt-tightening by all County departments.

In comparing the fiscal year 2004 and 2003 budget information, one major change involves the substantial reduction of the amount in the Contingency activity of the General Fund.

BUDGET SUMMARY INFORMATION - EXPENDITURES
COMPARISON OF ADOPTED BUDGET WITH PRIOR YEAR'S DATA
FISCAL YEAR ENDED JUNE 30, 2004

| | FY 2003 ORIGINAL BUDGET | FY 2003 ADJUSTED BUDGET | FY 2004 ADOPTED BUDGET |
|---------------------------------|--|--|---------------------------------------|
| GENERAL FUND | | | |
| General Government | | | |
| Commissioners | \$ 642,985 | \$ 644,647 | \$ 563,107 |
| Administration | 368,812 | 374,014 | 414,962 |
| Elections | 471,803 | 477,409 | 383,222 |
| Finance | 529,978 | 560,323 | 571,119 |
| Purchasing | 219,736 | 220,470 | 210,437 |
| Information Systems | 653,294 | 666,626 | 605,596 |
| Human Resources | 354,650 | 355,217 | 349,156 |
| Tax Commissioner | 922,585 | 926,425 | 909,231 |
| Tax Assessors | 822,631 | 824,921 | 762,897 |
| Building & Grounds Maintenance | 1,473,314 | 1,485,351 | 1,505,586 |
| Engineering Office | 392,731 | 393,334 | 371,150 |
| Contingency | 2,825,346 | 1,383,107 | 400,000 |
| Total General Government | \$ 9,677,865 | \$ 8,311,844 | \$ 7,046,463 |
| Judicial System | | | |
| Clerk of Superior Court | \$ 845,887 | \$ 846,448 | \$ 869,460 |
| Judges, Court Reporters | 612,803 | 612,803 | 618,538 |
| District Attorney | 262,799 | 262,799 | 266,839 |
| Magistrate Court | 396,240 | 396,240 | 401,156 |
| Juvenile Court | 284,669 | 291,768 | 288,403 |
| Probate Court | 288,431 | 288,431 | 273,943 |
| State Court Judge | 386,590 | 388,651 | 387,476 |
| State Court Solicitor | 312,136 | 312,256 | 296,416 |
| Clerk of State Court | 181,989 | 181,989 | 175,121 |
| Total Judicial System | \$ 3,571,544 | \$ 3,581,385 | \$ 3,577,352 |
| Public Safety | | | |
| Operating Transfers (E-911) | \$ 113,797 | \$ 118,136 | \$ 79,790 |
| Sheriff's Office | 11,237,371 | 12,433,709 | 12,374,190 |
| Emergency Services | 2,019,870 | 2,101,398 | 2,182,592 |
| County Coroner | 49,126 | 49,126 | 53,790 |
| Animal Control | 285,448 | 285,683 | 280,565 |
| Marshal's Office | 650,449 | 674,310 | 621,567 |
| Public Safety Administration | - | - | 136,098 |
| Total Public Safety | \$ 14,356,061 | \$ 15,662,362 | \$ 15,728,592 |

BUDGET SUMMARY INFORMATION - EXPENDITURES
COMPARISON OF ADOPTED BUDGET WITH PRIOR YEAR'S DATA
FISCAL YEAR ENDED JUNE 30, 2004

| | FY 2003 ORIGINAL BUDGET | FY 2003 ADJUSTED BUDGET | FY 2004 ADOPTED BUDGET |
|--|--|--|---------------------------------------|
| Public Works | | | |
| Operating Transfers (Solid Waste) | \$ 128,463 | \$ 128,463 | \$ 119,588 |
| Road Department | 4,546,985 | 4,586,613 | 4,506,270 |
| Director of Public Works | 188,193 | 189,370 | 168,758 |
| Fleet Maintenance | 233,505 | 238,772 | 222,245 |
| Total Public Works | \$ 5,097,146 | \$ 5,143,218 | \$ 5,016,861 |
| Planning Development | | | |
| Planning Department | \$ 231,114 | \$ 240,855 | \$ 244,947 |
| Zoning Department | 248,623 | 250,188 | 246,855 |
| Permits and Inspections | 591,455 | 595,855 | 602,911 |
| Georgia Forestry Commission | 2,376 | 2,376 | 2,376 |
| County Extension | 124,180 | 125,255 | 107,463 |
| Development Authority | 319,010 | 337,145 | 313,005 |
| Total Planning Development | \$ 1,516,758 | \$ 1,551,674 | \$ 1,517,557 |
| Culture and Recreation | | | |
| Parks and Recreation | \$ 841,187 | \$ 957,457 | \$ 970,718 |
| Library | 595,477 | 597,512 | 608,599 |
| Total Culture and Recreation | \$ 1,436,664 | \$ 1,554,969 | \$ 1,579,317 |
| Health and Welfare | | | |
| Physical Health | \$ 303,277 | \$ 303,277 | \$ 287,178 |
| Mental Health | 144,033 | 144,033 | 153,750 |
| Dept of Family & Children Services | 46,100 | 46,100 | 46,100 |
| Senior Citizens | 121,775 | 121,775 | 130,631 |
| Youth Protection | 21,600 | 21,600 | 16,140 |
| Domestic Violence Council | 10,000 | 10,000 | 10,000 |
| Visiting Nurses | 1,435 | 1,435 | - |
| Total Health and Welfare | \$ 648,220 | \$ 648,220 | \$ 643,799 |
| Debt Service | | | |
| Criminal Justice Center | \$ 3,841,351 | \$ 3,841,351 | \$ 3,840,551 |
| Non-Departmental Expenditures | \$ - | \$ - | \$ 2,209,700 |
| Total Transfers to Capital Projects | \$ 4,513,150 | \$ 4,592,395 | \$ 3,179,295 |
| TOTAL GENERAL FUND | \$ 44,658,759 | \$ 44,887,418 | \$ 44,339,487 |

BUDGET SUMMARY INFORMATION - EXPENDITURES
COMPARISON OF ADOPTED BUDGET WITH PRIOR YEAR'S DATA
FISCAL YEAR ENDED JUNE 30, 2004

| | FY 2003 ORIGINAL BUDGET | FY 2003 ADJUSTED BUDGET | FY 2004 ADOPTED BUDGET |
|-------------------------------------|--|--|---------------------------------------|
| SPECIAL REVENUE FUNDS | | | |
| Fire Services | \$ 6,667,301 | \$ 6,733,174 | \$6,065,326 |
| Street Lights | 161,150 | 161,150 | 181,650 |
| Jail Construction | 600,000 | 600,000 | 310,000 |
| Juvenile Supervision | 46,100 | 46,100 | 40,300 |
| Intergovernmental Revenues | - | 438,110 | - |
| Victims Assistance | 147,533 | 147,533 | 197,375 |
| Drug Abuse and Education | 54,296 | 54,296 | 67,566 |
| State Confiscated | 97,200 | 97,200 | 59,500 |
| Federal Confiscated | 129,665 | 129,665 | 195,100 |
| U.S. Customer | - | - | 9,200 |
| Law Library | 19,976 | 19,976 | 19,976 |
| SPLOST | 316,600 | 328,831 | 158,000 |
| Emergency 911 | 1,478,172 | 1,537,046 | 1,554,243 |
| <i>Total Special Revenue</i> | <u>\$ 9,717,993</u> | <u>\$ 10,293,080</u> | <u>\$ 8,858,236</u> |
| TOTAL GOVERNMENTAL FUNDS | <u>\$ 54,376,752</u> | <u>\$ 55,180,498</u> | <u>\$ 53,197,723</u> |
| ENTERPRISE FUNDS | | | |
| Solid Waste | \$ 179,883 | \$ 179,883 | \$ 171,801 |
| <i>Total Solid Waste</i> | <u>\$ 179,883</u> | <u>\$ 179,883</u> | <u>\$ 171,801</u> |
| Water System | \$ 12,557,182 | \$ 12,559,162 | \$ 12,649,112 |
| <i>Total Water System</i> | <u>\$ 12,557,182</u> | <u>\$ 12,559,162</u> | <u>\$ 12,649,112</u> |
| TOTAL OF ALL FUNDS | \$ 67,113,817 | \$ 67,919,543 | \$ 66,018,636 |

ANALYSIS OF MAJOR REVENUE SOURCES AND TRENDS

Strategies Utilized In Budgeting Revenues

As an unwritten but general guiding operating policy employed by Finance and Administrative staff, projected revenues for the ensuing fiscal year are estimated on the side of conservatism. The reason for this conservative approach to estimating cash inflows is to help ensure that the County avoids, if at all possible, any significant revenue shortfalls that might occur due to unanticipated fluctuations in the local or national economy, or an unexpected downturn in the rate of construction activity occurring in the immediate area. But should the economy remain strong in the short-term, it is further anticipated that these additional revenues that are generated will be programmed into the County's capital improvement program in future years as needs arise. As our principal operating revenue projection strategy for any given fiscal year, the County prepares its annual operating budget with the expectation that it will collect more revenues during the period than are actually budgeted.

As an integral first step in the FY 2004 revenue projection process, total revenue collections through the end of the 2003 fiscal year are estimated. As actual monthly activity is recorded, original estimated FY 2003 revenue numbers are refreshed throughout the budget preparation process. These most recent fiscal year estimates plus the actual revenue numbers for the previous three periods are used to identify trends and collection patterns from the various sources.

This historical revenue information is then framed in the context of what budget staff believes will be the most probable local economic conditions over the next twelve to twenty-four months. Elasticity of revenue sources, increases in user fees or charges, changes in service delivery and the anticipated impact of any new State or Federal legislation are also factored into the projections. The desired end result of this process is revenue estimates that one would reasonably expect to be met during the upcoming fiscal year given the information available at the time.

General Fund

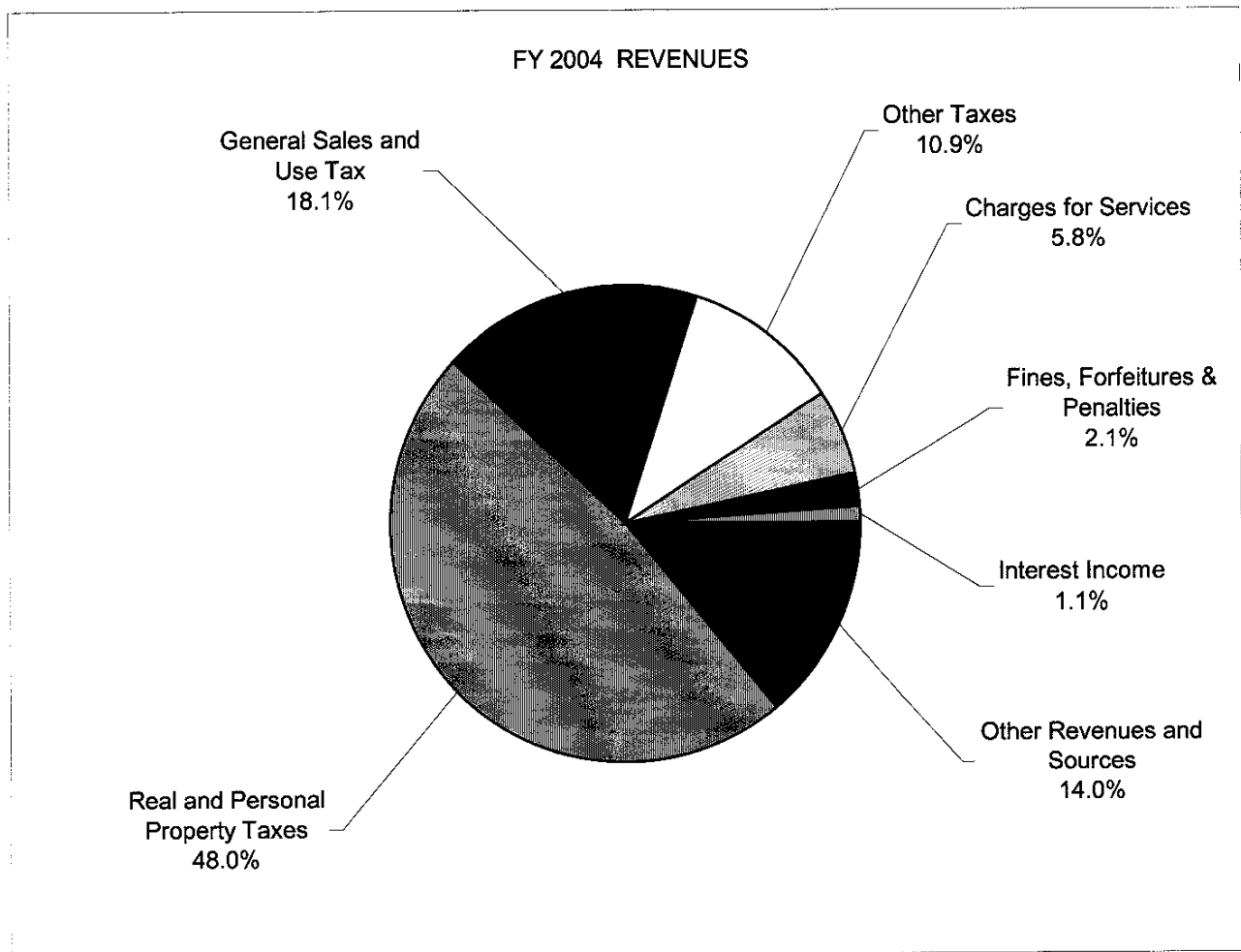
The General Fund is the principal operating fund for the County and the revenues it uses to provide a number of services to our citizens are derived from a wide variety of sources. The tabular information shown on the next page indicates the relative composition of the major revenue sources. The accompanying pie chart clearly shows how dependent the County is on taxes as the major revenue source to pay for the operations of the General Fund. Approximately 66.10 percent of the General Fund revenues for FY 2004 will be derived from only two sources: ad valorem (i.e., real and personal property taxes), and sales and use taxes. No other single revenue source comprises as much as five percent of the annual income total.

In comparison to the previous fiscal year estimate, it is anticipated that the General Fund revenue numbers for the 2004 fiscal year will be higher. More specifically, Other Revenues includes \$2.2 million from appropriated fund balance. Collection of the General Fund's major revenue source, the property tax, is projected to grow by 2.6% for the upcoming year. This anticipated level of growth is very much in line with the "new digest growth" the County has experienced over the past several years.

ANALYSIS OF MAJOR REVENUES AND TRENDS

COMPARISON OF GENERAL FUND PRINCIPAL REVENUE SOURCES

| REVENUE SOURCE | FY 2002 ACTUAL | FY 2003 BUDGET | FY 2003 ESTIMATED | FY 2004 BUDGET | FY 2004 PERCENT OF TOTAL |
|----------------------------------|-------------------|-------------------|----------------------|-------------------|--------------------------------|
| Real and Personal Property Taxes | \$ 20,780,142 | \$ 20,965,509 | \$ 21,580,745 | \$ 21,291,200 | 48.0% |
| General Sales and Use Tax | 8,058,581 | 7,920,000 | 8,573,782 | 8,016,209 | 18.1% |
| Other Taxes | 4,976,078 | 5,433,010 | 5,213,118 | 4,823,900 | 10.9% |
| Charges for Services | 2,665,235 | 2,393,325 | 3,169,416 | 2,576,150 | 5.8% |
| Fines, Forfeitures & Penalties | 851,827 | 813,000 | 931,750 | 938,500 | 2.1% |
| Interest Income | 715,051 | 800,000 | 524,708 | 475,000 | 1.1% |
| Other Revenues and Sources | 3,046,713 | 6,333,915 | 4,100,170 | 6,218,528 | 14.0% |
| Total Revenues | \$ 41,093,627 | \$ 44,658,759 | \$ 44,093,689 | \$ 44,339,487 | 100.0% |

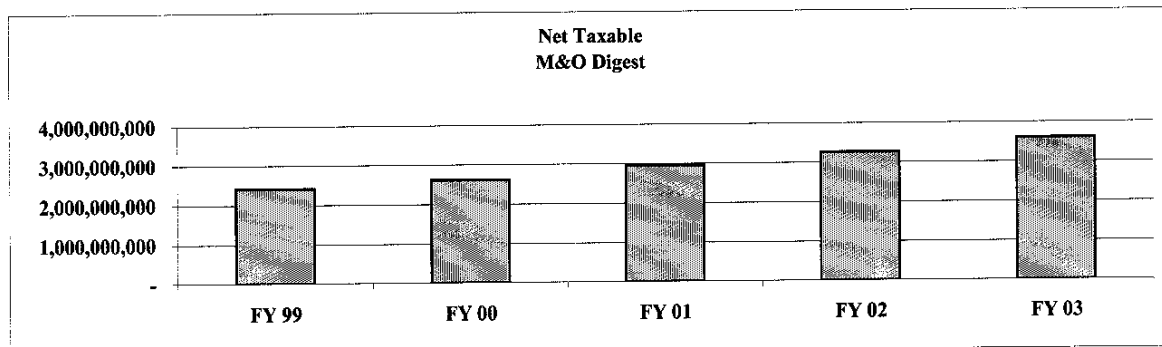


ANALYSIS OF MAJOR REVENUE SOURCES AND TRENDS

Property Taxes

When comparing annual increases in real and personal property tax revenues shown in the preceding table, several issues have to be considered. One issue is the supplanting of local property tax revenues with State monies from the Governor's tax relief initiative. In FY 2000, the State began remitting to counties a "grant" equal to the amount of property taxes that would be generated from the application of an additional \$2,000 homestead exemption. However, for FY 2004 newly elected Georgia Governor Sonny Perdue put a freeze on the amount of the "grant" at the \$8,000 level. This was done in an effort to help the State of Georgia balance its budget. The future of this program is in jeopardy as the state struggles to maintain a balanced budget. The current proposed maximum was originally set at a maximum of \$20,000. This "grant" is included in the *Other Revenues and Sources* category.

The amount of tax revenues generated is an arithmetic function of the millage rate and the net tax digest. The chart and table below summarizes some relevant property tax data over the most recent four-year period and the assumptions for the property tax projections for the 2004 fiscal year. It is important to understand cyclical trends in the digest. With the State of Georgia requiring that all property be reassessed at least every three years, the digest generally increases more significantly in those years when the fair market values of existing property are updated.



| Digest Information | Fiscal Year | Net Taxable M&O Digest | Digest Growth | Millage Rate | Change In Millage |
|---------------------------|-------------|------------------------|---------------|--------------|-------------------|
| 1999Tax Year (Actual) | FY 00 | \$ 2,615,246,461 | 8.1 % | 5.21 | 0.0% |
| 2000Tax Year (Actual) | FY 01 | 2,951,571,187 | 12.9 % | 6.56 | 25.9% |
| 2001 Tax Year (Actual) | FY 02 | 3,266,658,227 | 10.7 % | 6.64 | 1.2% |
| 2002 Tax Year (Actual) | FY 03 | 3,608,550,374 | 10.5 % | 6.20 | -6.6% |
| 2003 Tax Year (Projected) | FY 04 | 3,883,368,179 | 10.5 % | 5.87 | -5.3% |

ANALYSIS OF MAJOR REVENUE SOURCES AND TRENDS

As shown on the previous page, the calendar year net taxable digest has shown growth over the previous year from 1999 to 2003 ranging from 8.1% to a high of 12.9%. In FY 2001, because of rapid growth and rising property values, the Tax Assessors' Office was required to move the reassessment date forward one year in order to meet certain valuation criteria established by the Georgia Department of Revenue. Based on historical data, the staff projects the growth in the net tax digest for 2004 will be in the neighborhood of 10.5%.

Congruent with the goal of keeping property taxes as low as possible, the earlier table demonstrates the Board's willingness to reduce the millage rate in years in which property values are reassessed. By factoring the millage rate to compensate for the impact of reassessments, the actual amount of property taxes paid by the average homeowner into the County's General Fund remains fairly constant from one year to the next. In FY 2003 and 2004, the millage rate was reduced by 6.6% and 5.3% to somewhat offset the impact of reassessments on tax bills.

However, FY 2001 represented an anomaly to this practice because the total M&O millage rate had to be increased to cover the debt service applicable to the issuance of the Public Facilities Authority Revenue bonds. But if you were to discount the amount of the tax increase attributable to the new debt service expenditures, the resulting M&O millage rate would actually be lower than that of the previous year.

Real and Personal Property Tax revenues alone account for half of the total financial resource inflows into the General Fund. This stable and relatively inelastic source of revenue is computed as the arithmetic function of the net assessed value of taxable property and the millage rate. The assessed value is calculated as 40 percent of the property's fair market value. The current Georgia statutes require that the fair market value of property be determined as of January 1 of the tax year. Before applying the millage rate, the assessed value is further reduced by any applicable property exemptions (e.g., homestead, disabled veteran, Governor Barnes' Tax Initiative). A mill for tax purposes is defined as \$1.00 for each thousand dollars of assessed value. The revenue projections for FY 2004 are based on the assumption that the millage rate for Maintenance and Operations (M&O) will be factored to offset reassessments.

EXAMPLE OF A TAX BILL

| | |
|---------------------------|-----------|
| Fair Market Value | \$150,000 |
| Assessment Factor | 40% |
| Assessed Value | \$60,000 |
| Less: Homestead Exemption | \$5,000 |
| State Tax Initiative | 8,000 |
| | 13,000 |
| Taxable Value | \$47,000 |
| Millage Rate | 5.87 |
| M&O Taxes Payable | \$275.89 |

With a full understanding of the underlying growth assumptions, the projections for FY 2004 are fairly conservative and call for an increase in the digest that is in line with those seen in previous tax years. As in previous years, the revenue estimate also includes a factor of 2% to cover those taxes which are billed but uncollected in the year levied. The County has historically collected at least 98% of the taxes it bills annually.

ANALYSIS OF MAJOR REVENUE SOURCES AND TRENDS

General Sales and Use Tax

The General Sales and Use Tax (which is also referred to as a one-percent local option sales tax or L.O.S.T.) represents 18.1 % of total revenues budgeted for the 2004 fiscal year. The Sales Tax continues to be an important component of the County's revenue mix. In contrast to the property tax, one benefit of this revenue source is that the cash flow it generates is fairly consistent over the entire twelve months of the year. On the downside, this revenue source is considered to be extremely elastic with collections being heavily dependent on the prevailing local economic conditions.

Despite national weakening economic conditions the retail base for the County continues to expand rapidly. Revenue collection is not only generated from local residents but also from a large number of shoppers from adjacent counties taking advantage of the new stores and the lower sales tax rate in effect for Fayette County which can generate as much as 2% savings of the total purchase price for the customer. From a budgetary standpoint, the projection of sales and use tax revenues is difficult at best. The staff believes the economic downturn during FY 2003 will improve slightly in FY 2004. A conservative approach was taken in which the projection in which the projection for FY 2004 would include a slow growth economic recovery with little positive impact on this revenue source.

Other Taxes

The next largest revenue category is Other Taxes generating \$4.8 million dollars or approximately 10.9% of total budgeted revenues. One of the two main components is the motor vehicle tax (car tags) for \$2.3 million dollars. The second is the Insurance Premium Tax at \$1.5 million dollars, which is the County's pro rata, share of the insurance premium taxes collected by the State of Georgia. The annual allocation of this tax is based on the relative population numbers for each jurisdiction taken from the most recent census. The remaining portion of Other Taxes includes Intangibles, Franchise, and Property Transfers to name a few. To be on the conservative side, the total amount of other taxes projected for FY 2004 is 7% less than the amount estimated for the 2003 fiscal year.

Charges for Services

Charges for Services represent 5.8% of total revenues and is primarily comprised of Court costs and fees, Zoning fees, Ambulance charges, Sheriff department costs and the Tax Commissioner's Office cost reimbursements. Court costs and fees generated by the Superior, State, Magistrate, Probate and Juvenile Courts are approximately 5.1% of total revenues. Reimbursements from the State or other municipalities of costs incurred for housing inmates and for costs incurred in collecting the tax revenues of other jurisdictions are included in this category. Estimates for these income items were based primarily on historical collection patterns. Based on a conservative estimate, an overall 4% reduction in budgeted revenues is projected for FY2004.

ANALYSIS OF MAJOR REVENUE SOURCES AND TRENDS

Fines, Forfeitures & Penalties

The Fines, Forfeitures & Penalties category from the General Fund is made up of Superior and State Court fines as well as Library fines, which represent 2.1% of the FY 2004 budgeted revenues. The Superior Court fines are criminal fines and forfeitures derived from sentences imposed by the Superior Court Judges. State Court fines are derived from the adjudication of various misdemeanor and traffic violations cases. The projected revenues are based on collection patterns from the most recent three fiscal years.

Interest Earnings

Interest generated on the County's idle cash balances represents approximately 1.1% of total revenues. The amount budgeted for FY 2004 is in line with the amount budgeted for the previous year. The main reason for this is the expectation that interest rates will maintain at current levels. Based on a conservative estimate, an overall 9.5% reduction in budgeted revenues is projected for FY 2004.

Other Revenues and Sources

As a general rule, the remaining components included in the Other Revenues and Sources category were budgeted at a level consistent with prior years' collections. Not considering the \$2.2 million appropriated fund balance included in Other Revenues, the remaining sources equate to approximately \$4.0 million. While this component of remaining sources comprises 9.1% of the total budgeted revenues, it should be noted that it represents the aggregation of about fifteen different types of revenue.

ANALYSIS OF MAJOR REVENUE SOURCES AND TRENDS

Other Funds

In addition to the General Fund, three other funds provide significant revenue for County operations. They are the Fire Services Special Revenue Fund, the Emergency 911 Special Revenue Fund, and the Water System Fund. Principal revenue sources for each of these funds are provided in the following discussion.

Fire Services Special Revenue Fund

The Fire Services Special Revenue Fund provides funding for fire prevention and suppression activities for all areas of the County except for the cities of Fayetteville and Peachtree City, which have decided to maintain their own fire departments. To provide a funding mechanism that will ensure that only those individuals living in the area receiving these fire services pay for the services, a special tax district was created several years ago. Generally accepted governmental accounting principles require that these legally restricted monies be accounted for separately. This special revenue fund is used to provide that accountability for revenues collected and expenditures made for the provision of fire services in the unincorporated area of the County and the remaining municipalities that do not have their own fire suppression function.

The table and chart on the next page show the principal revenue sources and their relative contributions to total revenues. The data clearly demonstrates the Fire Services Special Revenue Fund's dependence on property taxes to pay for the delivery of this particular service. Slightly less than 90 percent of the total revenues for this fund are generated from the taxation of real and personal property. Thus, the revenue for this special revenue fund is considered very stable even in an economic downturn.

As was discussed earlier, the portion of the tax digest attributable to the two largest municipalities in the County is not included in this special tax district. Because these two cities provide sewer services and the County does not at the present time, a majority of the new industry and commercial building has tended to take place within the city limits of those jurisdictions. This means that the composition of the tax digest associated with this special tax district has an inordinately heavy concentration of residential properties.

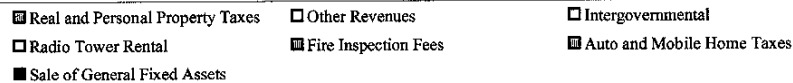
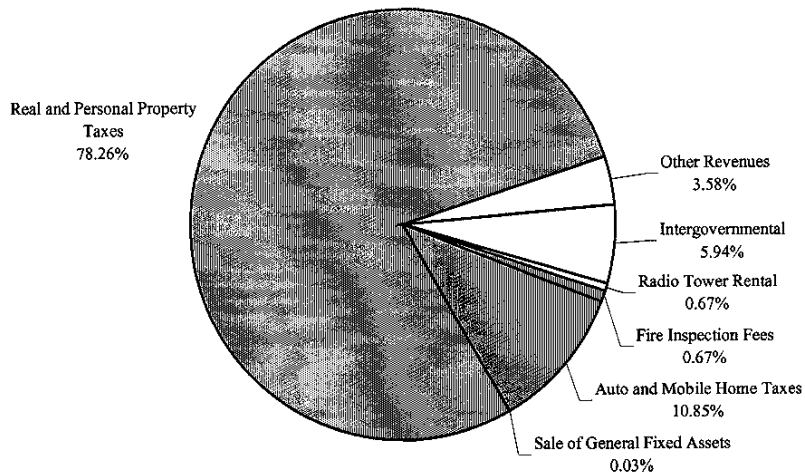
In addition, any property that these cities annex is removed from the special tax district digest that funds the Fire Services function. Much of the property being annexed is commercial or potential commercial sites that generally represent those parcels having higher fair market values. This process of selective attrition results in the tax digest for the Fire Services District having an increased higher concentration of residential property in its make-up.

ANALYSIS OF MAJOR REVENUE SOURCES AND TRENDS

COMPARISON OF FIRE SERVICES FUND PRINCIPAL REVENUE SOURCES

| Revenue Source | FY 2002 ACTUAL | FY 2003 BUDGET | FY 2003 ESTIMATED | FY 2004 BUDGET | FY 2004 PERCENT OF TOTAL |
|----------------------------------|---------------------|---------------------|----------------------|---------------------|--------------------------------|
| Real and Personal Property Taxes | \$ 5,095,464 | \$ 5,211,150 | \$ 5,319,433 | \$ 5,251,153 | 78.26% |
| Intergovernmental | 305,931 | 325,000 | 426,515 | 398,900 | 5.94% |
| Other Revenues | 296,665 | - | 281,624 | 240,000 | 3.58% |
| Auto and Mobile Home Taxes | 784,814 | 773,160 | 762,177 | 728,000 | 10.85% |
| Radio Tower Rental | 76,894 | 45,000 | 45,497 | 45,000 | 0.67% |
| Fire Inspection Fees | 39,779 | 30,000 | 57,951 | 45,000 | 0.67% |
| Sale of General Fixed Assets | - | 2,000 | - | 2,000 | 0.03% |
| Total Revenues | \$ 6,599,547 | \$ 6,386,310 | \$ 6,893,197 | \$ 6,710,053 | 100.00% |

FY 2004 REVENUES



ANALYSIS OF MAJOR REVENUE SOURCES AND TRENDS

Water System Fund

The primary mission of the Water System Fund is to serve as a funding mechanism for the provision of potable water to the residents of the County. To cover the costs of building reservoirs, treating raw water, and distributing the finished product through miles of pipe, a service fee is charged based on the number of gallons used by each customer. This gallon usage fees is set at a level that will cover both the operating costs of the Water System plus provide monies over the long-term to replace the existing facilities and distribution lines at the end of their useful lives (i.e., capital maintenance).

The major revenue sources for the Water System Fund are detailed on the table and chart shown on the following page. The projection of *User Fees and Charges* for fiscal year 2004 is fairly conservative and is based on the activity for the most recent two-year period. Depending upon the duration of high temperatures and the amount of rainfall received during the summer months, these revenues can fluctuate fairly substantially from one year to the next. With the completion of the Lake Horton raw water reservoir, there now exists a much greater supply of water to meet the growing demands of an increasing population.

Emergency 911 Special Revenue Fund

The 1996 fiscal year represented a time of significant change for the Emergency 911 Special Revenue Fund. In January of 1996, the various municipal E-911 communication functions within the County and communication operators at the Sheriff's Department were gradually merged into the County's operations. Not only did this Special Revenue Fund absorb the staff and operating expenses of these other entities, but also as part of the consolidation agreement the new 911 functions was entitled to all the telephone surcharge revenues generated for this purpose.

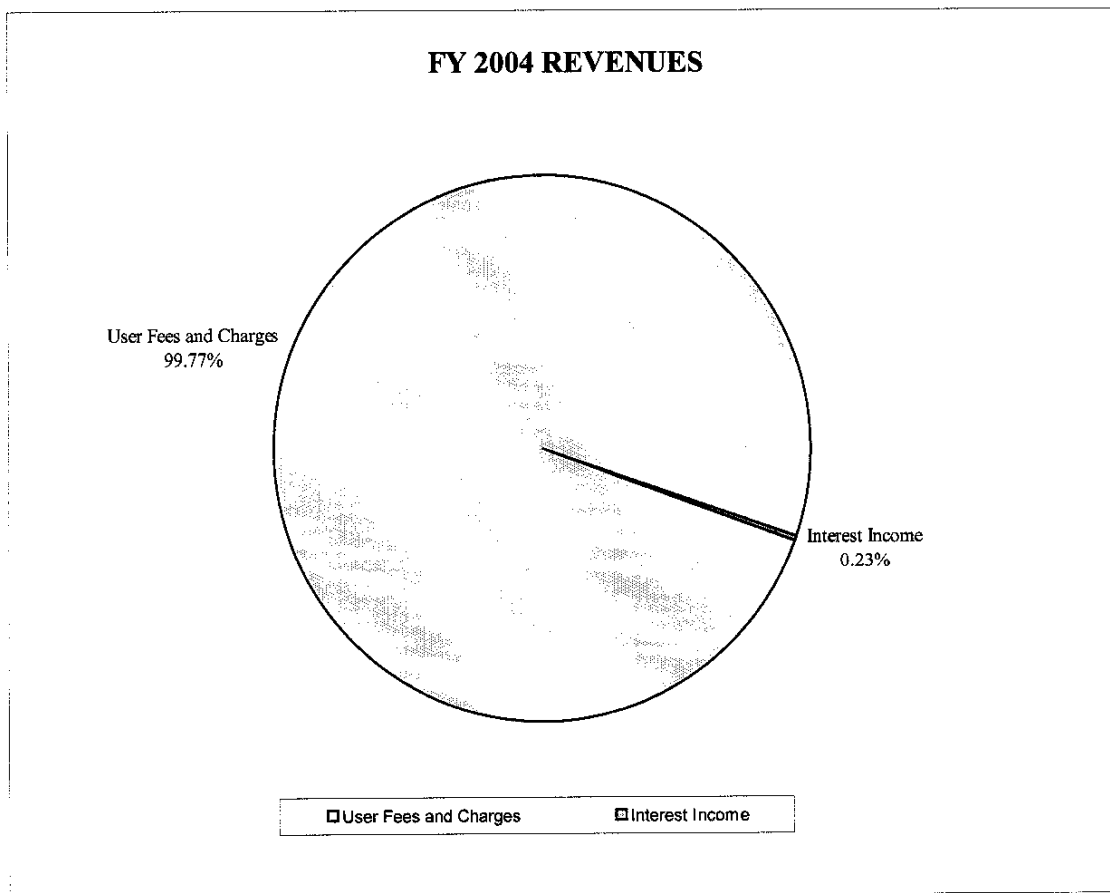
Georgia state law provides for a governmental entity to adopt up to a \$1.50 monthly surcharge for each telephone receiving service in the County. These monies are collected by BellSouth, the local phone service provider, as part of each month's phone bill and then remitted to the County less a percentage to cover the billing party's administrative costs. Also during FY 2002, collection was initiated for a similar type monthly charge of a \$1.00 on each cellular telephone. The proceeds from these surcharges can only be spent for the provision of 911 service within the jurisdiction. As is true with other funds, the projection of revenue from these sources is conservative.

Also as part of the original consolidation agreement, the County and cities within the County agreed to contribute on a pro rata basis (i.e., based on the estimated annual population) any funds necessary to cover shortfall between the amount generated from the surcharge and the operating budget. These monies contributed by the cities for this purpose are categorized in the table and chart on the following page as *Intergovernmental* revenues and the County's portion is designated as *Operating Transfers*.

ANALYSIS OF MAJOR REVENUE SOURCES AND TRENDS

COMPARISON OF WATER SYSTEM FUND PRINCIPAL REVENUE SOURCES

| Revenue Source | FY 2002 ACTUAL | FY 2003 BUDGET | FY 2003 ESTIMATED | FY 2004 BUDGET | FY 2004 PERCENT OF TOTAL |
|-----------------------|-------------------|-------------------|----------------------|-------------------|--------------------------------|
| User Fees and Charges | \$ 12,322,324 | \$ 12,527,182 | \$ 11,761,040 | \$ 12,864,840 | 99.77% |
| Bond Proceeds | 362,690 | - | - | - | 0.00% |
| Capital Contributions | 108,431 | - | - | - | 0.00% |
| Interest Income | 289,324 | 30,000 | 198,253 | 30,000 | 0.23% |
| Total Revenues | \$ 13,082,769 | \$ 12,557,182 | \$ 11,959,293 | \$ 12,894,840 | 100.00% |

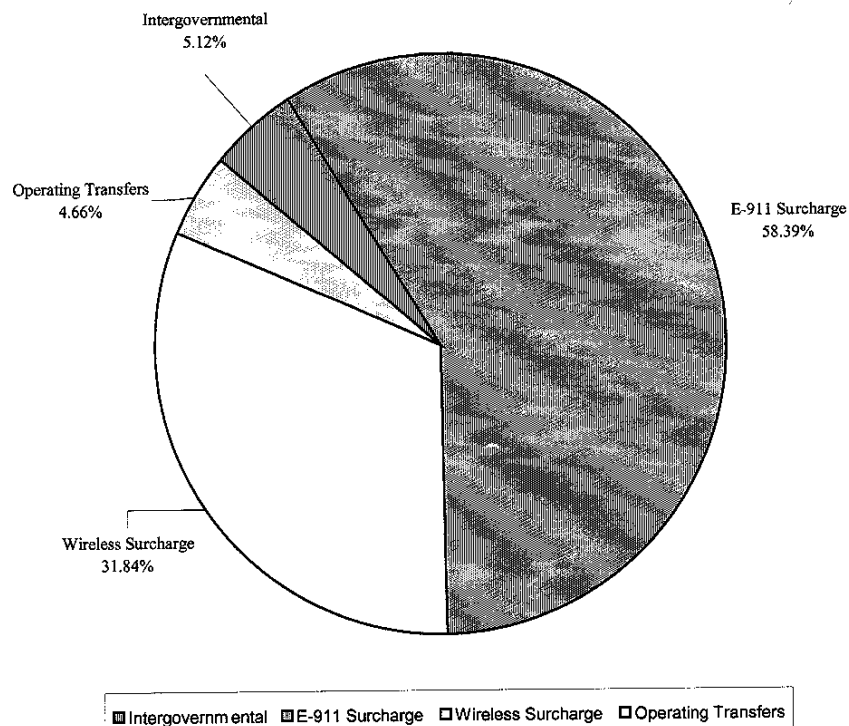


ANALYSIS OF MAJOR REVENUE SOURCES AND TRENDS

COMPARISON OF EMERGENCY 911 FUND PRINCIPAL REVENUE SOURCES

| Revenue Source | FY 2002 ACTUAL | FY 2003 BUDGET | FY 2003 ESTIMATED | FY 2004 BUDGET | FY 2004 PERCENT OF TOTAL |
|---------------------|-------------------|-------------------|----------------------|-------------------|--------------------------------|
| Intergovernmental | \$ 229,500 | \$ 116,975 | \$ 116,975 | \$ 87,587 | 5.12% |
| E-911 Surcharge | 1,032,130 | 985,216 | 993,202 | 999,765 | 58.39% |
| Wireless Surcharge | 420,426 | 262,184 | 564,610 | 545,180 | 31.84% |
| Operating Transfers | 467,736 | 113,797 | 118,278 | 79,790 | 4.66% |
| Total Revenues | \$ 2,149,792 | \$ 1,478,172 | \$ 1,793,065 | \$ 1,712,322 | 100.00% |

FY 2004 REVENUES



ANALYSIS OF MAJOR REVENUE SOURCES AND TRENDS

Consolidated Revenues

The tabular information below provides a consolidated look at the revenue comparisons for all budgeted funds. It clearly demonstrates that the County staff is adhering to its strategy of conservatively projecting revenues. Based on the most current projections, it appears that the majority of the funds will collect more revenue for the 2003 fiscal year than was originally budgeted. The information also indicates that more than 70 percent of the total budgeted revenues involve property tax supported funds (i.e., the General Fund and Fire Services Special Revenue Fund). The remainders of the funds derive their revenues from such non-tax sources as surcharges, user fees, and interest earnings.

| <u>BUDGETED FUND</u> | <u>FY 2002 ACTUAL</u> | <u>FY 2003 BUDGET</u> | <u>FY 2003 ESTIMATED</u> | <u>FY 2004 BUDGET</u> | <u>FY 2004 PERCENT OF TOTAL</u> |
|----------------------|---------------------------|---------------------------|------------------------------|---------------------------|---|
| General Fund | \$ 41,093,627 | \$ 41,027,937 | \$ 44,093,689 | \$ 42,137,585 | 62.83% |
| Fire Service Fund | 6,599,547 | 6,386,310 | 6,893,197 | 6,710,053 | 10.00% |
| E-911 Fund | 2,149,792 | 1,478,172 | 1,793,065 | 1,712,322 | 2.55% |
| Water System Fund | 12,580,235 | 18,157,182 | 11,959,293 | 12,894,840 | 19.23% |
| All Other Funds | <u>2,454,399</u> | <u>1,088,898</u> | <u>1,103,186</u> | <u>3,612,607</u> | <u>5.39%</u> |
| Total Revenues | <u>\$ 64,877,599</u> | <u>\$ 68,138,499</u> | <u>\$ 65,842,429</u> | <u>\$ 67,067,407</u> | <u>100.00%</u> |

ANALYSIS OF THE FUND BALANCE OF EACH INDIVIDUAL FUND

Discussion of Fund Balance

The 1994 edition of Governmental Accounting, Auditing and Financial Reporting (GAAFR) published by the Government Finance Officers Association (GFOA) defines the term *fund balance* as “the difference between fund assets and fund liabilities of governmental and similar trust funds”. In simple terms, the fund balance is the excess of current assets over current liabilities utilizing the flow of current financial resources measurement focus and the modified accrual basis of accounting. To express in layman’s terms, it might best be described as funds or idle cash that can serve as a financial safety net in the event of a “rainy day” or unexpected expenditures, can be used to liquidate existing long-term liabilities, or can be utilized to pay for expenditures incurred in future periods.

The size of this balance in relationship to budgeted appropriations provides some insight into the level of current financial resources that are available to meet the financial obligations of future periods. By having sufficient cash reserves available, it ensures a great deal of flexibility in carrying out the County’s annual expenditure plan as well as providing the fiscal capacity to meet most unanticipated needs. For these reasons, maintaining an adequate fund balance level is an important element in the long-range financial plan for Fayette County.

Of primary importance in funding the County’s normal day-to-day operations, the fund balance is used to provide needed cash reserves prior to the collection of taxes. With the fiscal year beginning on the first day of July and the majority of property taxes not being collected until the middle of December, expenditures or cash outflows significantly exceed revenues or cash inflows over the first five months of the fiscal year. Having sufficient cash reserves prevents the County from having to do short-term borrowing to meet those financial obligations incurred early in the year. And also on the positive side, these funds generate additional interest income that in effect reduces the tax burden on the citizens.

And as a vital component in our pay-as-you-go capital improvements program, the County frequently uses part of the fund balance to pay for large one-time capital non-operating expenditures, including capital projects, rather than incur long-term debt. For example, in FY 2003, the existing fund balance of the General Fund was used to make road and intersection improvements at various locations throughout the County including McDonough Road at County Line Road. As additional monies become available at the end of each fiscal year, they are often designated for a specific capital non-operating expenditure.

Lastly, the fund balance provides a financial cushion that can be used to reduce the impact of a significant economic downturn or uninsured catastrophic loss. In situations such as these, the fund balance provides financial resources that can be used to replace lost revenues or fund unanticipated expenditures without having to raise taxes or incur new debt. In spite of the last decade where the economy has remained consistently strong, current economic conditions are in a weakened state. It is our belief that maintaining an adequate fund balance is important to the long-term financial stability of Fayette County insuring significant benefits to the taxpayers.

ANALYSIS OF THE FUND BALANCE OF EACH INDIVIDUAL FUND

General Fund

The following table provides a comparison of the fund balance for the General Fund over a four-year period. At the end of the 2003 fiscal year, the Finance Department estimates that the fund balance will be about \$24.9 million. This level of cash reserves places Fayette County in the enviable position of having sufficient monies available to meet its cash flow shortfall during the early part of its fiscal cycle and still being able to pay for certain of its capital improvements projects without having to issue new debt. Adhering to policies of fiscal conservatism is part of the reason that the County's general obligation bond rating was upgraded in calendar year 2003 from AA- to AA by the bond rating service.

| | FY 2001 <u>ACTUAL</u> | FY 2002 <u>ACTUAL</u> | FY 2003 <u>ESTIMATED</u> | FY 2004 <u>PROJECTED</u> |
|------------------------|--------------------------|--------------------------|-----------------------------|-----------------------------|
| Fund Balance - June 30 | \$ 23,744,892 | \$22,381,285 | \$24,948,278 | \$22,746,376 |

But more importantly from a strategic standpoint of funding needed services, this size fund balance provides the County with budgetary flexibility. In the event of a significant economic downturn, these financial resources are available to cover or offset any unfavorable budget-to-actual revenue variances in the short term. Thus, those taxpayers who might lose their jobs or see their businesses decline in a downturn of the economy may not have to face a property tax rate increase at the worst possible time for them financially.

The increases in the fund balance that typically occur from one year to the next are primarily generated from two sources. First, revenues have been projected on a fairly conservative basis each fiscal year. As a result, the County has ended each of these fiscal years with actual revenues easily exceeding the amount that was budgeted. The second component of fund balance growth has been on the expenditure side. Over the past several fiscal years, actual expenditures have been far less than the budgeted amounts. These positive variances have been made possible by effective management at the cost center level, salary savings generated from vacant positions and the Board's consistent funding of new technologies to get the job done as efficiently as possible.

The following tabular information provides more detail regarding the various components of the estimated fund balance at June 30, 2003. As indicated by the first reserve, the Board has adopted as a fiscal policy the Finance Department's recommendation that the County maintain a working capital or cash reserve equal to three months of expenditures. The second reserve represents outstanding purchase orders, projects that were budgeted for FY 2003 but will not be completed until the 2004 fiscal year, as well as the designation of funds in the amount of \$2.0 million for emergencies. In addition, this reserve includes \$4.2 million for planned capital additions and major repairs to the existing infrastructure. A third reservation of fund balance recognizes those loans that have been made to the Soccer Association for the purpose of their constructing additional fields at McCurry Park. Until this loan is repaid, this reserve is needed to show that

FAYETTE COUNTY, GEORGIA
ANALYSIS OF THE FUND BALANCE OF EACH INDIVIDUAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

this money is not available for appropriation. Lastly, the reserve for prepaid assets represents an offset to the current asset balance for the prepayment of insurance premiums for FY 2004. This reserve is needed to indicate that these funds have already been spent and are not available for appropriation.

| | | | |
|--|--|---------------|----------------------|
| Estimated Fund Balance at June 30, 2003 | | | \$ 24,948,278 |
| Less: | Reserved for Working Capital (25% of FY 2004 Budget Expenditures) | \$ 11,084,872 | |
| | Reserved for Encumbrances and Designations (Estimate Based on Past Years) | 139,504 | |
| | Reserved for Loans Receivable (Soccer Association) | 115,024 | |
| | Reserved for Prepaid Assets (Estimate Based on Past Years) | 61,347 | <u>11,400,747</u> |
| Estimated Fund Balance Available for Contingencies and Appropriation for Capital Expenditures | | | <u>\$ 13,547,531</u> |

After deducting the above reserves and designations from the estimated fund balance at June 30, 2003 there remains approximately \$2.2 million available to meet contingencies and fund various capital projects one-time capital expenditures. The planned completion of capital projects for road and bridge improvements, intersection signalization and improvements, and recreation land development are scheduled for completion during FY 2004. The planned Capital expenditures amounting to \$3.2 million plus planned future capital outlay during FY 2004 are the major reasons for projecting a decline in the fund balance by the end of the year.

Special Revenue Funds

Fire Services

Unlike in the General Fund, maintaining at least three months of operating expenditure cash reserves in the Fire Services Special Revenue Fund has proved a difficult goal to achieve over the long-term. In an attempt to achieve a desirable level of financial stability, the Board has planned to increase the fund reserves over the next three years. This objective will be achieved by controlling expenditures to produce a surplus. Provision of funds for capital asset acquisitions will be planned and programmed as part of the County's five year Capital Improvement Program. As Part of the capital planning process, revenues from this funding source will be programmed in a rational manner to avoid fluctuations in the property tax rates.

ANALYSIS OF THE FUND BALANCE OF EACH INDIVIDUAL FUND

| | FY 2001 <u>ACTUAL</u> | FY 2002 <u>ACTUAL</u> | FY 2003 <u>ESTIMATED</u> | FY 2004 <u>PROJECTED</u> |
|------------------------|--------------------------|--------------------------|-----------------------------|-----------------------------|
| Fund Balance – June 30 | \$1,279,302 | \$630,200 | \$ 822,768 | \$1,467,495 |

The projected fund balance in the amount of \$1,467,495 on June 30, 2004 represents more than two months of normal operating expenditures for this special revenue fund. While that level of fund balance may prove to be adequate for the short-term, it is well below the Board adopted target level of three months. The projected increase in fund balance is attributable to controlling expenditures to produce a surplus.

Street Lights

The Street Light Special Revenue Fund is a separate, self-supporting accounting entity in which the revenues collected from the service users are expected to cover all of the expenditures incurred to provide the service. With utility and fixture maintenance costs rising each year and the rate schedule being reviewed infrequently, it is important to have sufficient funds in reserve in the event that the fees collected are not enough to pay for the level of services being provided. In addition, adequate cash reserves are needed to pay the utility bills for the first four months in the fiscal year until the revenues are received sometime in November. The tabular information below depicts the year-end status of the fund balance for this entity.

| | FY 2001 <u>ACTUAL</u> | FY 2002 <u>ACTUAL</u> | FY 2003 <u>ESTIMATED</u> | FY 2004 <u>PROJECTED</u> |
|------------------------|--------------------------|--------------------------|-----------------------------|-----------------------------|
| Fund Balance - June 30 | \$88,986 | \$92,703 | \$87,970 | \$87,973 |

Historically, the annual growth in the fund balance has somewhat mirrored the increase in the number of subdivisions receiving this service. Even with the per fixture operating costs increasing each year, this level of fund balance should allow the County to keep the current rate structure intact for at least the next year or so. In projecting the fund balance at the end of FY 2004, it was assumed that revenues would be sufficient to cover all the expenditures incurred during the year.

Jail Construction Surcharge

When this special revenue fund was originally established in FY 1993, it was agreed that all of the surcharges that were collected by the various courts on traffic and criminal fines would be set aside on an annual basis until such time as these funds were needed for jail related expenditures. While the enabling legislation does provide that these surcharge revenues can be used for the

ANALYSIS OF THE FUND BALANCE OF EACH INDIVIDUAL FUND

operating costs of the jail, it was decided to target these funds for capital expenditures or major renovations.

| | <u>FY 2001 ACTUAL</u> | <u>FY 2002 ACTUAL</u> | <u>FY 2003 ESTIMATED</u> | <u>FY 2004 PROJECTED</u> |
|------------------------|---------------------------|---------------------------|------------------------------|------------------------------|
| Fund Balance - June 30 | \$372,371 | \$381,533 | \$122,852. | \$122,852 |

With the prisoner population at the jail greatly exceeding its original design capacity, the Board began making plans during FY 1999 to construct a new jail facility adjacent to the current one. A portion of the monies in this special revenue fund was used to hire consultants to begin the planning and design process. Additional dollars were spent to acquire several tracts of land located between the current jail site and property that the County already owned for future construction purposes. The decrease in the estimated fund balance at the end of FY 2003 is the result of expenditures for outsourcing inmates to another facility during the final phase of construction for the new jail facility exceeded the anticipated revenues. During FY 2004, revenues from this source will be utilized for capital costs associated with construction of the newly completely jail facility.

Juvenile Supervision

The Juvenile Supervision Special Revenue Fund was initiated in the latter part of the 1994 fiscal year pursuant to new State legislation making provision for a surcharge on juvenile fines. As shown in the tabular data that follows, the estimated fund balance at June 30, 2003 is \$32,686. This residual amount represents the fine surcharges collected to date in excess of that which has been needed for supervisory services.

| | <u>FY 2001 ACTUAL</u> | <u>FY 2002 ACTUAL</u> | <u>FY 2003 ESTIMATED</u> | <u>FY 2004 PROJECTED</u> |
|------------------------|---------------------------|---------------------------|------------------------------|------------------------------|
| Fund Balance - June 30 | \$36,131 | \$34,861 | \$32,686 | \$27,386 |

During the past several years, the number of juvenile cases being heard in Fayette County has continued to proliferate. In keeping with this trend, the amount of surcharge revenues being generated has grown proportionately. However, this growth in revenues declined slightly during FY 2003 and it is not expected to increase during FY 2004, thus accounting for the projected decline in the fund balance at the end of the year.

ANALYSIS OF THE FUND BALANCE OF EACH INDIVIDUAL FUND

Victims Assistance

The Victims Assistance Special Revenue Fund was initiated as a supplemental service of the State Court function that was created during the 1997 fiscal year. This program is funded by a surcharge on fines and grant monies designed to help the victims of misdemeanor crimes. While the newly created Solicitor General's Office was getting up to speed during that first year of its operations, the monies being generated from this surcharge were simply being accumulated in this fund until the latter part of FY 1998.

With the State of Georgia awarding a grant to fund a Victim Witness Advocate position in late FY 1998, this new program was able to hire the necessary manpower to become fully operational. Because there is very limited historical revenue and expenditure information to use as a basis for determining the level of service that could be offered over the long-term, the decision was made to gradually enhance the services to be provided over time. The progress of this special revenue fund in accumulating financial resources that will be used to assist the victims of crime is shown in the tabular information on the following page.

| | FY 2001 <u>ACTUAL</u> | FY 2002 <u>ACTUAL</u> | FY 2003 <u>ESTIMATED</u> | FY 2004 <u>PROJECTED</u> |
|------------------------|--------------------------|--------------------------|-----------------------------|-----------------------------|
| Fund Balance - June 30 | \$353,032 | \$434,525 | \$459,951 | \$391,076 |

It is anticipated that expenditures for this program will continue to exceed planned revenues during FY 2004. The projected decline in fund balance at the end of FY 2004 is for the planned expansion of services and the associated costs.

Drug Abuse and Treatment Education

This special revenue fund is used to account for those surcharges levied on fines for the purpose of funding drug (i.e., other than alcohol) education programs. While the County's court system began collecting these surcharge monies during the 1998 fiscal year, there was no education programs approved in the operating budgets for the previous two years. Consequently, this fund has been able to accumulate a healthy fund balance should it be needed in the future. The tabular information below shows the ending fund balance for each of the respective periods.

| | FY 2001 <u>ACTUAL</u> | FY 2002 <u>ACTUAL</u> | FY 2003 <u>ESTIMATED</u> | FY 2004 <u>PROJECTED</u> |
|------------------------|--------------------------|--------------------------|-----------------------------|-----------------------------|
| Fund Balance - June 30 | \$97,865 | \$73,783 | \$61,576 | \$24,010 |

In its operating budget discussions for FY 2001, the Board decided to designate monies from this special revenue fund to supplement the Drug Awareness and Resistance Education (DARE)

ANALYSIS OF THE FUND BALANCE OF EACH INDIVIDUAL FUND

program currently provided by the Sheriff's Office. Also, the Commissioners have recently agreed to assist the Board of Education with their in-house drug education program. The cumulative impact of these funding decisions is expected to decrease the ending fund balance for FY 2004.

State Confiscated Property

Fund balance information for the State Confiscated Property Special Revenue Fund is provided in the table below. As these funds are forfeited through the court system, they are almost immediately put to work as part of the Sheriff's Office's efforts to combat crime. Consequently, the idle funds that are generally on hand at any point in time are minimal.

| | FY 2001 <u>Actual</u> | FY 2002 <u>Actual</u> | FY 2003 <u>Estimated</u> | FY 2004 <u>Projected</u> |
|------------------------|--------------------------|--------------------------|-----------------------------|-----------------------------|
| Fund Balance – June 30 | \$18,518 | \$32,008 | \$25,799 | \$34,765 |

Federal Confiscated Property

As demonstrated in the table below, the fund balance of the Federal Confiscated Property Special Revenue Fund follows the same general pattern as the State Confiscated Property Fund does. The monies received into this fund are from the Department of Justice with the main difference between the Federal and State fund being the relative size of the amount of funds that are taken. In reality, the war against drugs is often a hit-or-miss proposition. Thus, there is the opportunity to have a larger variance from one year to the next.

| | FY 2001 <u>ACTUAL</u> | FY 2002 <u>ACTUAL</u> | FY 2003 <u>ESTIMATED</u> | FY 2004 <u>PROJECTED</u> |
|------------------------|--------------------------|--------------------------|-----------------------------|-----------------------------|
| Fund Balance - June 30 | \$107,518 | \$162,591 | \$169,709 | \$167,174 |

U. S. Customs Fund

This fund is newly created and represents funds forfeited through the Department of Treasury. All revenues collected from this source during FY 2004 are expected to be utilized in law enforcement activities before the end of the year. Therefore, no increase in fund balance is projected for FY 2004.

Law Library

The initiation of the State Court function has had a favorable financial impact on the Law Library Special Revenue Fund. With additional surcharge revenues flowing in from this source, the fund balance has recently begun to grow. Fund balance data for this special revenue fund over the most recent four-year period is shown in the tabular information below.

ANALYSIS OF THE FUND BALANCE OF EACH INDIVIDUAL FUND

| | <u>FY 2001 ACTUAL</u> | <u>FY2002 ACTUAL</u> | <u>FY 2003 ESTIMATED</u> | <u>FY 2004 PROJECTED</u> |
|------------------------|---------------------------|--------------------------|------------------------------|------------------------------|
| Fund Balance - June 30 | \$64,741 | \$64,741 | \$103,470 | \$103,470 |

Library Special Purpose Local Option Sales Tax (SPLOST)

The estimated fund balance for this special revenue fund at the end of the 2003 fiscal year is slightly more than \$2.2 million. This amount represents the balance of the unspent proceeds generated by the special purpose local option sales tax plus the interest income that has been earned to date. Pursuant to language contained in the original referendum, these remaining funds are restricted to the purchase of needed resource materials and enhancements for the new library. Only about \$96,700, \$69,002, \$248,822, \$135,804 and \$174,283 have been spent for this purpose during the 1999, 2000, 2001, 2002 and 2003 fiscal years, respectively.

The fund balance information for this special revenue fund is shown below. As demonstrated by the tabular information, the amount of fund balance has changed only marginally over the past three fiscal years. With the library being so new, there has been little need to spend the existing funds. However as the existing equipment begins to age and become obsolete and as additional library service needs are identified, expenditures are expected to begin increasing annually.

| | <u>FY 2001 ACTUAL</u> | <u>FY 2002 ACTUAL</u> | <u>FY 2003 ESTIMATED</u> | <u>FY 2004 PROJECTED</u> |
|------------------------|---------------------------|---------------------------|------------------------------|------------------------------|
| Fund Balance - June 30 | \$2,432,723 | \$2,367,378 | \$2,227,810 | \$2,099,810 |

In looking at long-term trends, the fund balance is projected to steadily decline each succeeding year until such time that all of the funds are finally spent. The only significant source of retainable revenue for this fund in the future will be the interest income earned on the cash balances.

Emergency Phone E-911

The estimated fund balance for the Emergency Phone E-911 Special Revenue Fund at June 30, 2003 is \$1,982,722 as exhibited in the following table. This amount represents slightly more than six months of operating expenditures for this special revenue fund and thus would appear to be in compliance with the Board's adopted policy of having the fund balance of an operating fund be at least equal to three month's of total annual expenditures.

ANALYSIS OF THE FUND BALANCE OF EACH INDIVIDUAL FUND

The tabular information presented below indicates that the fund balance has been growing steadily over the three previous fiscal years. The primary reason for this trend is the salary savings that have been generated from vacant positions. In addition, the fund balances shown for the last three fiscal years represent monies that had been budgeted during those years for the migration to the new radio system frequency but had not been expended as of the end of the year.

| | <u>FY 2001 ACTUAL</u> | <u>FY 2002 ACTUAL</u> | <u>FY 2003 ESTIMATED</u> | <u>FY 2004 PROJECTED</u> |
|------------------------|---------------------------|---------------------------|------------------------------|------------------------------|
| Fund Balance - June 30 | \$900,027 | \$1,653,205 | \$1,982,722 | \$2,140,801 |

In the fund balance projection for the FY 2004, revenues are estimated to be slightly greater than expenditures in the upcoming fiscal year. This is the result of the continued inability to fill vacant positions at the E-911 center. However, this projection may be too optimistic as the E-911 function begins to migrate to an improved frequency radio system and hopefully, positions are filled.

As a result of an intergovernmental agreement between the cities within the County and the County, the long-term outlook appears to suggest that revenues will be sufficient to meet anticipated expenditures thus contributing to a stable fund balance.

ANALYSIS OF THE FUND BALANCE OF EACH INDIVIDUAL FUND

Enterprise Funds

The enterprise fund budgets are adopted on the cash basis of accounting to ensure compliance with existing bond ordinances. By utilizing this method, management has the ability to monitor the flow of cash for these funds. From a budgetary and administrative control perspective, cash flow budgets are prepared for these two funds on an annual basis. The Comprehensive Annual Financial Report (CAFR) shows the status of the County's finances for these funds on the basis of "generally accepted accounting principles" (GAAP).

SOLID WASTE

The tabular information presented below indicates a declining fund balance. The revenues from operations have been significantly short of the expenditures to operate this fund on an annual basis. Much of this shortfall can be attributed to significant costs related to post-closure cure for a pre-subtitle D landfill. The General Fund has made significant contributions to this fund to avoid the incurrence of a deficit. Management continues to review these operations to identify cost savings opportunities and revenue enrichment strategies in an effort to improve this fund's financial solvency and avoid the necessity of transferring funds from the County's General Fund.

| | FY 2001 <u>ACTUAL</u> | FY 2002 <u>ACTUAL</u> | FY 2003 <u>ESTIMATED</u> | FY 2004 <u>PROJECTED</u> |
|------------------------|--------------------------|--------------------------|-----------------------------|-----------------------------|
| Fund Balance – June 30 | \$678,928 | \$858,639 | \$373,511 | \$373,748 |

WATER SYSTEM

The tabular information presented below indicates that the fund balance has been declining slightly over each of the three previous fiscal years. The primary reason for this decline relates to the use of financial resources to construct a water treatment plant and distribution lines throughout the service area.

| | FY 2001 <u>ACTUAL</u> | FY 2002 <u>ACTUAL</u> | FY 2003 <u>ESTIMATED</u> | FY 2004 <u>PROJECTED</u> |
|------------------------|--------------------------|--------------------------|-----------------------------|-----------------------------|
| Fund Balance – June 30 | \$11,948,330 | \$14,345,543 | \$19,195,354 | \$19,441,082 |

ANALYSIS OF THE FUND BALANCE OF EACH INDIVIDUAL FUND

Overview of Fund Balances - Budgeted Governmental Funds

The tabular information that is provided below is a consolidated overview of the fund balance information for all funds. This table is useful to the reader in that it provides general trend information on the government as a whole. The data clearly indicates that Fayette County has accumulated in its various funds sufficient current financial resources to meet its immediate service needs and should be able to easily weather any economic downturn that might occur in the near future.

| <u>FUND BALANCE</u> | <u>FY 2001 ACTUAL</u> | <u>FY 2002 ACTUAL</u> | <u>FY 2003 ESTIMATED</u> | <u>FY 2004 PROJECTED</u> |
|---------------------------------|---------------------------|---------------------------|------------------------------|------------------------------|
| Governmental Funds: | | | | |
| General | \$23,744,892 | \$22,381,285 | \$24,948,278 | \$22,746,376 |
| Special Revenue: | | | | |
| Fire Services | 1,279,302 | 630,200 | 822,768 | 1,467,495 |
| Street Lights | 88,986 | 92,703 | 87,970 | 87,973 |
| Jail Construction | 372,371 | 381,533 | 122,852 | 122,852 |
| Juvenile Supervision | 36,131 | 34,861 | 32,686 | 27,386 |
| Victim Assistance | 353,032 | 434,525 | 459,951 | 391,076 |
| Drug Abuse | 97,865 | 73,783 | 61,576 | 24,010 |
| State Confiscated | 18,518 | 32,008 | 25,799 | 34,765 |
| Federal Confiscated | 107,518 | 162,591 | 169,709 | 167,174 |
| U.S. Customs | N/A | N/A | 0 | |
| Law Library | 64,741 | 64,741 | 103,470 | 103,470 |
| Library SPLOST | 2,432,723 | 2,367,378 | 2,227,810 | 2,099,810 |
| Emergency 911 | 900,027 | 1,653,205 | 1,982,722 | 2,140,801 |
| Total Governmental Funds | \$29,496,106 | \$28,308,813 | \$31,045,591 | \$29,413,188 |
| Enterprise Funds: | | | | |
| Solid Waste | \$678,928 | \$858,639 | \$373,511 | \$373,748 |
| Water System | 11,948,330 | 14,345,543 | 19,195,354 | 19,441,082 |
| Total Enterprise Funds | \$12,627,258 | \$15,204,182 | \$19,568,865 | \$19,814,830 |
| Total All Funds | \$42,123,364 | \$43,512,995 | \$50,614,456 | \$49,228,018 |

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